

Good afternoon. My name is Michael Inzelbuch. Today I appear on behalf of the Lakewood Board of Education, a school district of approximately 5,300 public school students and 14,000 non-public school students. I also appear on behalf of a coalition in formation of other public school districts and non-public schools.

We have reviewed the proposed Regulation, specifically, page 87 entitled "School District Conditions for Receipt of State Aid" wherein the Department appears to require an Individualized Education Plan ("IEP") as a condition precedent to reimbursement of SEMI funds.

SEMI (Special Education Medicaid Initiative) as some of you may be aware, is a federal program that allows both the State and local school districts to recapture/receive a portion of the cost for certain health related services such as (but not limited to) evaluations, physical therapy occupational therapy, speech, counseling and nursing services. Specifically, as of July 1, 2006 local school districts can receive 35% of the net recovery and the State can receive 65%. A potentially tremendous amount for cash strapped State and local coffers.

Unfortunately, many districts were either not aware or remiss as to this program. In fact, Lakewood only learned of the potential of this program through the good offices of Ocean County Superintendent Dr. Bruce Greenfield and Ocean County Business Administrator Dr. Michael Foster. Thanks to the District's hard work the District has received the following funds:

2005-06 - \$3,904.46

2006-07 - \$108,446.08

2007-08 - \$124,201.00 (as of May 3, 2008)

However, despite the New Jersey Department of Treasury specifically and clearly stating on their website that school districts can recoup SEMI monies for students who attend public schools, out-of-district placements, and non-public schools as well as the current third-party service provider, Public Consulting Group (PCG) encouraging the Lakewood school district to file and request said funds for non-public school students no monies have been received.

These are significant monies which Lakewood has been wrongly denied appropriately **\$389,597.52** for identical services provided to non-public school students since October 2005 (through December 2007).

No real reason exists. In fact, we have learned that Colorado and Idaho, in fact, seek and receive reimbursement for non-public school students with the federal government clearly stating that there is no impediment to what we are requesting.

Moreover, Department of Education employees in an internal memorandum and e-mails have agreed that any argument as to “double dipping” as to IDEIA funds does not in fact exist. (The argument is too speculative and specious to even understand.)

The SEMI manual produced and distributed by the State does not provide any difference as to services provided to public or non-public students.

Discrimination, disparate treatment, disregard is what this is all about. No one is requesting or expecting the State or Federal government to expend additional monies on non-public school students. All we are asking is to allow school districts (and the State) to recoup monies for providing services. An example would be as follows: let us assume there are two (2) children “Johnny Jones” and “David Goldberg”. Johnny attends a public school in Lakewood. David attends Calvary or the Cheder – non-public

schools in Lakewood. Both are referred for evaluations due to *alleged* learning difficulties. After evaluations and a meeting both are found to be ineligible for whatever reason. Despite the same testing, some results and same outcome the school district would receive reimbursement for Johnny but not for David. Patently unfair.

The solution requested is to remove the word "IEP" and instead state "the provision of special education services", or, in the alternative, in part, "IEP or Service Plan". For when the SEMI program commenced in 1993, non-public school students and public school students (all students) only had IEP's when special education services were provided. Only in 1997 did the Federal rules change stating that Service Plans should be utilized for non-public students. (Please note that there is no substantive difference between an IEP and a Service Plan.) There was no similar update since 1993 either to the Federal law as to SEMI or the State Medicaid Charter.

Thank you.